GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

STARRED QUESTION NO:156
ANSWERED ON:26.11.2007
RATE OF INTEREST ON EPF
Rawat Prof. Rasa Singh;Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) the current rate of interest on Employees Provident Fund (EPF) and the increase therein demanded by the labour organisations during the last three years;

(b) the reasons for not hiking the interest rate of the EPF during the above period;

(c) whether there is big unused amount of EPF lying in many States;

(d) if so, the reasons therefor;

(e) whether the Government proposes to revise the interest rate on EPF for the year 2006-07; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (f) OF LOK SABHA STARRED QUESTION NO. 156 FOR 26.11.2007 BY PROF. RASA SINGH RAWAT AND SHRI G.M. SIDDESHWARA REGARDING `RATE OF INTEREST ON EPF.`

(a): The rate of interest declared for the year 2006-07 is 8.5% . There has been demand from the employees` representatives for a higher rate of interest than what was declared by the Government.

(b): The rate of interest is declared by the Government in consultation with the Central Board of Trustees, the Central Government shall satisfy itself that `there is no overdrawal on the Interest Suspense Account as a result of debit thereto of the interest credited to the accounts of members.`

(c) & (d): The accounts of the Employees` Provident Fund including income and expenditure are maintained in such form as prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India. All the monies are accounted in the prescribed form and invested in accordance with the pattern prescribed by the Government and as such there is no amount as `unused amount` in the Employees` Provident Fund.

(e): No, Sir.

(f): Does not arise in view of (e) above.